

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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DEC 10 1998

In the Matter of )  
FEDERAL COMMUNICATIONS COMMISSION )  
OFFICE OF THE SECRETARY )  
Implementation of the Telecommunications Act of 1996 ) CC Docket No 96-115  
Telecommunications Carriers' Use of Customer Proprietary )  
Network Information and Other Customer Information )

**COMMENTS OF THE  
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION  
IN SUPPORT OF PCIA PETITION FOR RECONSIDERATION**

The National Telephone Cooperative Association ("NTCA") submits these comments in support of the Petition for Reconsideration filed by the Personal Communications Industry Association ("PCIA"). NTCA is a national association of approximately 500 local exchange carriers that provide service primarily in rural areas. All NTCA members are small carriers that are "rural telephone companies" as defined in the Telecommunications Act of 1996. NTCA has been actively involved in the above referenced proceeding.<sup>1</sup>

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<sup>1</sup> For example, NTCA filed a Petition for Reconsideration on May 26, 1998; Comments in Support of Request for Deferral and Clarification on May 8, 1998; Comments on the Petitions for Reconsideration on June 25, 1998; Replies to Oppositions on July 6, 1998; had an *ex parte* meeting with staff on September 15, 1998; Responded to the FCC's Request for Information on August 3, 1998; and will be participating in an *ex parte* meeting on December 10, 1998.

PCIA filed a Petition requesting that the FCC reconsider its Order<sup>2</sup> which stayed the application of the mechanized customer proprietary network information (“CPNI”) safeguards until the Commission has ruled on the pending petitions for reconsideration. In its Stay Order, the FCC stayed the effective date of the software flags and electronic audit mechanisms until six months after the Commission acts on the pending petitions for reconsideration. In granting the stay the FCC specifically required that “[t]o the extent that new systems are being developed during the pendency of the reconsideration petitions, . . . we expect that carriers will install electronic flags and audit trails at the time the system is deployed . . .”<sup>3</sup> NTCA agrees with PCIA that carriers deploying new systems during the pendency of the stay should not be required to install the electronic flags and audit trails.

As NTCA pointed out in its Petition for Reconsideration and various meetings with the Commission, it will be extremely costly for our members to comply with the electronic safeguards.<sup>4</sup> The Commission admitted that it granted the stay because it “may consider recent proposals to tailor our requirements more narrowly and to reduce burdens on the industry . . .” The Commission is also actively seeking industry input and suggestions on alternative safeguard requirements. It does not make sense to force carriers deploying new systems to incur the

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<sup>2</sup> *Telecommunications Carriers’ Use of Customer Proprietary Network Information and Other Customer Information*, CC Docket No. 96-115 (Sept. 25, 1998), 63 Fed. Reg. 54379 (October 9, 1998) (“Stay Order”).

<sup>3</sup> Stay Order, ¶ 5.

<sup>4</sup> NTCA surveyed its members and more than 60% of them responded. Our members indicated that the electronic safeguard requirements would cost an average of \$100,000 per company. The cost translates to more than \$300 per line for a 300 line company.

massive costs associated with the electronic requirements when there is a very good chance that the electronic requirements will change. The FCC should stay the electronic flags and audit trail requirements *in their entirety* until a final decision is reached.

The FCC's current Stay Order not only has the unintended effect of interfering with the business plans of new market entrants,<sup>5</sup> it also may interfere with the plans of incumbents. Incumbents planning to upgrade systems may decide to avoid unnecessary cost and postpone the upgrade until the CPNI rules are finalized. This is especially true in rural areas where carriers do not have resources to waste. Ultimately the consumer is harmed by a delay in service.

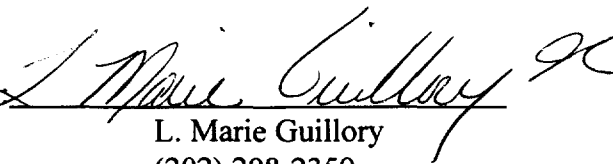
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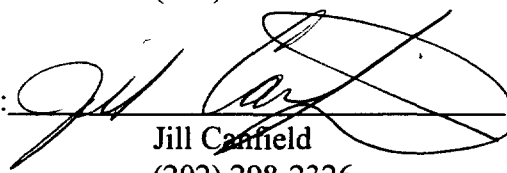
<sup>5</sup> See PCIA Petition at p. 4.

There is much industry confusion about the CPNI rules. The Stay Order only contributes to that confusion and creates unnecessary costs. The FCC should reconsider the portion of its Stay Order that requires new carrier software that is deployed during the reconsideration period to meet the Commission's electronic flag and audit requirements.

Respectfully submitted,

NATIONAL TELEPHONE COOPERATIVE  
ASSOCIATION

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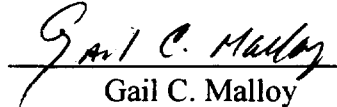
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December 10, 1998

CERTIFICATE OF SERVICE

I, Gail C. Malloy, certify that a copy of the foregoing Comments in Support of the Petition for Reconsideration filed by the Personal Communications Industry Association of the National Telephone Cooperative Association in CC Docket No. 96-115 was served on this 10th day of December 1998, by first-class, U.S. Mail, postage prepaid, to the following persons:

  
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